

GUIDELINES FOR CLASSIFICATION AND DESIGNATION OF MINERAL LANDS

PREFACE

The Surface Mining and Reclamation Act of 1975 (SMARA) mandated the initiation by the State Geologist of mineral land classification in order to help identify and protect mineral resources in areas within the State subject to urban expansion or other irreversible land uses which would preclude mineral extraction. SMARA also allowed the State Mining and Geology Board (SMGB), after receiving classification information from the State Geologist, to designate lands containing mineral deposits of regional or statewide significance.

Construction aggregate was selected by the SMGB to be the initial commodity targeted for classification because of its importance to society, its unique economic characteristics, and the imminent threat that continuing urbanization poses to that resource.

In 1980, at the request of SMGB, SMARA was amended to provide for the classification of non-urban areas subject to land-use threats incompatible with mining. As a result, SMARA studies were begun during 1981 in the western Sierra Nevada foothills and in the California Desert Conservation Area, a large part of the desert in southeastern California: studies in these regions focussed on all mineral resources other than aggregate, common clay, and dimension stone.

Currently, the State Geologist's SMARA classification activities are carried out under a single program for urban and non-urban areas of the state. Mineral lands are mapped according to jurisdictional boundaries (i.e., counties, groups of counties, or major parts of counties), mapping all mineral commodities at one time in the area, including aggregate, common clay, and dimension stone using the California Mineral Land Classification System. Priority is given to areas where future mineral resource extraction could be precluded by incompatible land use or to mineral resources likely to be mined during the 50-year period following their classification.

Maps showing the areas classified and designated to date are in Appendix B and the classification reports are listed in Appendix C. The SMGB and the State Geologist may be contacted at the addresses and telephone numbers below.

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INTRODUCTION

The purpose of these guidelines is to help implement SMARA by providing the State Geologist with direction in carrying out mineral resource classification of lands in California that are threatened by uses that would be incompatible with, or would preclude mining. In addition, these guidelines describe how the SMGB may elect to designate mineral-bearing areas of statewide or regional significance.

Classification is the process of identifying lands containing significant mineral deposits. *Designation* is the formal recognition by the SMGB, after consultation with lead agencies and other interested parties, of areas containing mineral deposits of regional or statewide significance.

The objective of classification and designation processes is to ensure, through appropriate lead agency policies and procedures, that mineral deposits of statewide or of regional significance are available when needed.

SECTION I. GUIDELINES FOR CLASSIFICATION OF MINERAL LANDS

1. Classification Priorities

The SMGB, based on recommendations from the State Geologist and public input, prioritizes areas to be classified and/or designated. Areas which are generally given highest priority are those areas within the State which are subject to urban expansion or other irreversible land uses which would preclude mineral extraction. Areas where such threat is perceived to be most severe are given highest priority.

A schedule of current and planned mapping activities prioritized for classification is available on request from the SMGB.

2. Classification Criteria

Classification is completed by the State Geologist in accordance with the SMGB's priority list, into Mineral Resources Zones (MRZ), as defined in Section I. 3. Classification of these areas is based on geologic and economic factors without regard to existing land use and land ownership.

A. Determination of Significance—To be considered significant for the purpose of the classification of mineral lands, a mineral deposit (or a group of deposits that can be mined as a unit) must be actively mined under a valid permit or meet the following criteria of marketability and threshold value.

(1) *Marketability*—Deposits of mineral commodities must be minable, processable, and marketable under the technologic

and economic conditions that exist at present or which can be estimated to exist in the next 50 years. Because some of the conditions affecting extraction and marketability cannot be accurately projected 50 years into the future, conservative estimates will be made in assessing whether a particular mineral resource can be mined, processed, and marketed within the next 50 years.

(2) *Threshold value*—For those deposits that meet the marketability criteria, only those estimated to exceed the following threshold values in 1998-equivalent dollars will be considered significant. The threshold value is based on the gross selling price of the first marketable product from an individual mineral deposit (or from a group of deposits that can be operated as a unit) after completion of extraction and any required mineral separation and processing. Threshold values will be adjusted annually using the annual average U.S. Consumer Price Index for the preceding year, as published by the U.S. Department of Labor, Bureau of Labor Statistics. These threshold values are intended to indicate in a general way the approximate minimum size of a mineral deposit that will be considered significant for classification and designation. They are not intended, nor in practice could they be, for use as precise cut-off values. For some deposits a larger threshold value would be required for a deposit or deposits to be marketable. For operating, producing mines, the threshold value may be reduced by the SMGB as local circumstances dictate. If for technological or other reasons one or more parts of a mineral deposit cannot meet the marketability criteria, those parts are not to be considered in estimating whether the deposit exceeds the threshold value.

(i) *Construction materials* (1998 minimum threshold value \$12,500,000) —Mineral materials capable of being used in construction which normally receive minimal processing, commonly washing and grading, and for which the ratio of transportation costs to value of the processed material at the mine is high. Examples of this category include:

- Sand and gravel
- Crushed rock

(ii) *Industrial and chemical mineral materials* (1998 minimum threshold value \$2,500,000)—Non-metallic mineral materials that normally receive extensive processing, such as heat or chemical treatment or fine sizing, and for which the ratio of transportation costs to value of the material at the mine is moderate or low. Examples of this category include:

- Limestone, dolomite, and marble except where used as construction aggregate
- Specialty sands
- Clays
- Diatomite

Phosphate
 Coal, lignite, or peat mined primarily as a raw material for chemicals such as montan wax
 Salines and evaporites such as borates and gypsum
 Feldspar
 Talc
 Building and dimension stone
 Asbestos
 Rock varieties producible into granules, rock flour, mineral wool, expanded shale, pozzolans, and other similar commodities.

(iii) *Metallic and rare minerals* (1998 minimum threshold value \$1,250,000)—Metallic elements and minerals, gemstones, and minerals that possess special properties valuable to society and for which the ratio of transportation costs to the value of the material at the mine is low. Examples include ores, deposits, or crystals of:

Precious metals (gold, silver, platinum)
 Iron and other ferro-alloy metals (tungsten, chromium, manganese)
 Base metals (copper, lead, zinc)
 Mercury
 Uranium and thorium (except syngenetic deposits in shale)
 Rare earths
 Minor metals including rubidium, strontium, and cesium
 Gemstones and semi-precious materials
 Niobium and tantalum
 Optical-grade calcite

(iv) *Non-fluid mineral fuels* (1998 minimum threshold value \$2,500,000)—Non-hydrothermal mineral fuels occurring in sedimentary rocks. Examples include:

Coal
 Lignite
 Peat
 Organic shale
 Tar sand
 Uranium and thorium (syngenetic deposits in shale)

B. Determination of Mineral Resource Zones (MRZs)—The establishment of MRZs is based on a geologic appraisal of the mineral resource potential of the land. This appraisal includes research of geologic and mining-related literature, compilation of geologic maps, and plotting of reported mines and prospects using publications and mine data of the Department of Conservation's Division of Mines and Geology (DMG), U.S. Geological Survey, the former U.S. Bureau of Mines, and the Bureau of Land Management. It also involves field work which includes site investigations of mines and mineral prospects, sampling of rocks for chemical and physical analyses and petrographic studies, geophysical surveys, and geologic mapping as appropriate.

Field and analytical data are integrated and evaluated for assigning Mineral Resource Zones to areas in accordance with the mineral classification guidelines adopted by the SMGB.

C. The California Mineral Land Classification System—To implement Article 4, Section 2761b of SMARA, the State Geologist developed the Mineral Resource Zone (MRZ) nomenclature and criteria based on what herein is referred to as the California Mineral Land Classification System.

The California Mineral Land Classification System is a modification of a mineral resource classification system developed by the U.S. Bureau of Mines and U.S. Geological Survey (1980) that represents the relationship between knowledge of mineral deposits and their economic characteristics (grade and size). The nomenclature used with the California Mineral Land Classification System is important in communicating mineral potential information in activities such as mineral land classification, and usage of these terms are incorporated into the criteria developed for assigning mineral resource zones. The horizontal axis of the California Mineral Land Classification System Diagram (Figure) represents degree of knowledge about mineral deposits while the vertical axis represents economic characteristics.

The four major divisions on the diagram are "Areas of Identified Mineral Resource Significance," "Areas of Undetermined Mineral Resource Significance," "Areas of Unknown Mineral Resource Significance," and "Areas of No Mineral Resource Significance." The divisions between these major "knowledge" categories marks the divisions between areas classified MRZ-2, MRZ-3, MRZ-4, and MRZ-1; wherein lands classified MRZ-2 are areas that contain identified mineral resources, lands classified MRZ-3 are areas of undetermined mineral resource significance, lands classified MRZ-4 are areas of unknown mineral resource potential, and lands classified MRZ-1 are areas where geologic information indicates no significant mineral deposits are present.

Following are definitions of the nomenclature associated with the State Geologist's criteria for mineral land classification and the California Mineral Land Classification System. It is important to refer to these definitions when studying the different resource categories used in classification of lands. Particular attention should be given to the distinction between a mineral deposit and a resource and how a mineral deposit may relate to resources.

(1) *Mineral deposit*—A naturally occurring concentration of minerals in amounts or arrangement that under certain conditions may constitute a mineral resource. The concentration may be of value for its chemical or physical characteristic or for both of these properties.

(2) *Economic*—This term implies that profitable extraction or production under defined investment assumptions have been established, analytically demonstrated, or assumed with reasonable certainty.

(3) *Resource*—A concentration of naturally occurring solid, liquid, or gaseous material in and/or on the Earth's crust in such form and amount that economic extraction of a commodity from the concentrations is currently potentially feasible.

(4) *Identified resources*—Resources whose location, grade, quality, and quantity are known or estimated from specific geologic evidence. Identified resources include economic, marginally economic, and sub-economic components. To reflect varying degrees of geologic certainty, these economic divisions can be subdivided into measured, indicated, and inferred.

(5) *Inferred resources*—Estimates are based on an assumed continuity beyond measured and/or indicated resources, for which there is geologic evidence. Inferred resources may or may not be supported by samples or measurements.

(6) *Reserves*—That part of the resource base which could be economically extracted or produced within the foreseeable future; usually used in reference to permitted resources. The term reserves need not signify that extraction facilities are in place and operative.

(7) *Measured reserves*—Quantity is computed from dimensions revealed in outcrops, trenches, workings, or drill holes; grade and/or quality are computed from the results of detailed sampling. The sites for inspection, sampling, and measurement are spaced so closely and the geologic character is so well defined that size, shape, depth, and mineral content of the resource are well established.

(8) *Indicated reserves*—Quantity and grade and/or quality are computed from information similar to that used for measured resources, but the sites for inspection, sampling, and measurement are farther apart or otherwise less adequately spaced. The degree of assurance, although lower than that for measured resources, is high enough to assume continuity between points of observation.

(9) *Demonstrated reserves*—A term for the sum of measured plus indicated reserves.

(10) *Marginal reserves*—That part of the reserve base which, at the time of determination, borders on being economically producible. The essential character here is economic uncertainty. Included are resources that would be pro-

ducible, given postulated changes in economic or technologic factors.

3. Mineral Resource Zone Categories

The following MRZ categories are used by the State Geologist in classifying the State's lands. The geologic and economic data and the arguments upon which each unit MRZ assignment is based are presented in the mineral land classification report transmitted by the State Geologist to the SMGB.

In order to communicate information concerning the existence of mineral resources within lands subject to classification, the classification categories set forth in guidelines by the SMGB have been adapted from the California Mineral Land Classification System Diagram (Figure). These adaptations are presented below:

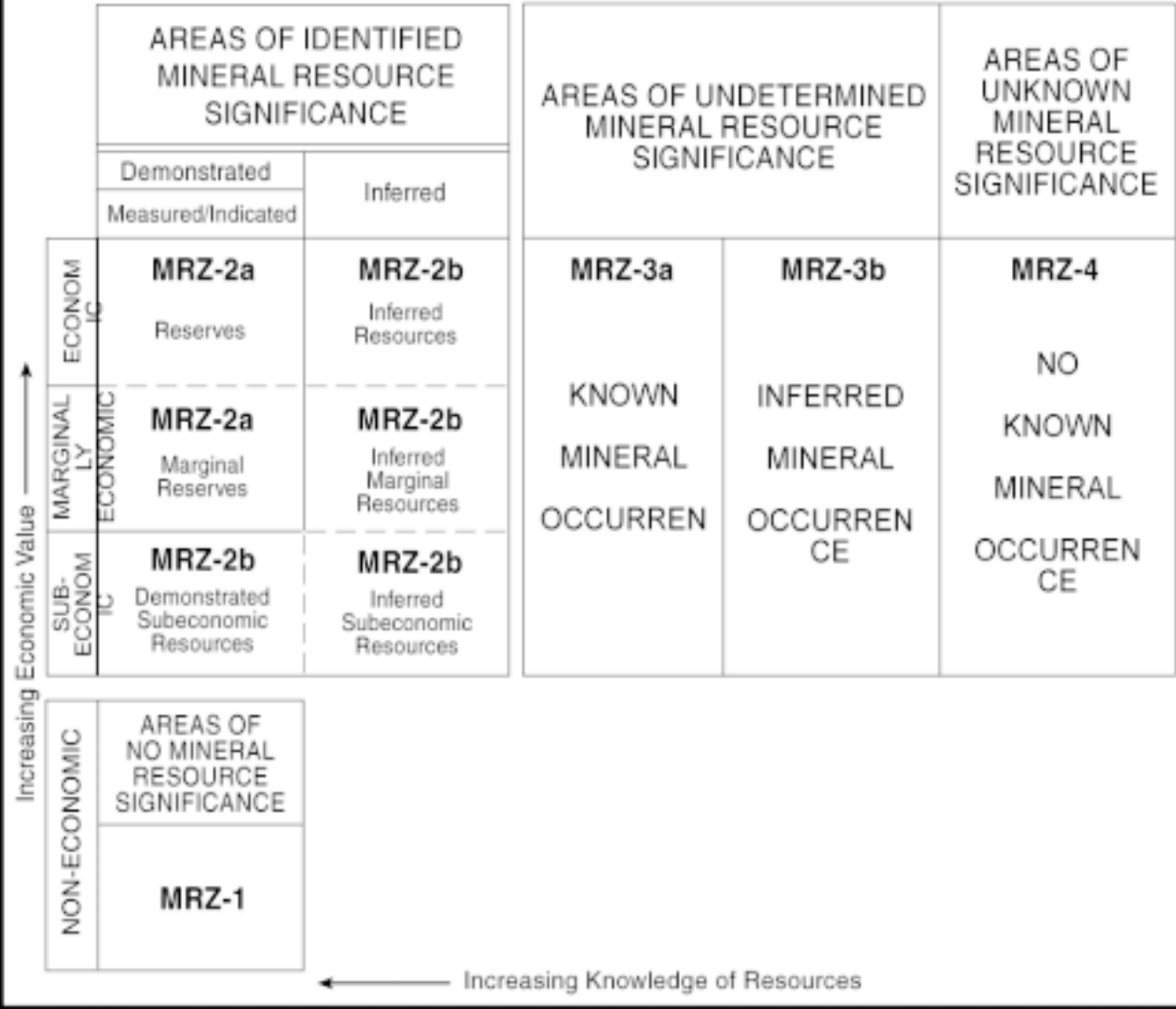
A. *MRZ-1*—Areas where adequate geologic information indicates that no significant mineral deposits are present, or where it is judged that little likelihood exists for their presence. This zone is applied where well developed lines of reasoning, based on economic-geologic principles and adequate data, indicate that the likelihood for occurrence of significant mineral deposits is nil or slight.

B. *MRZ-2a*—Areas underlain by mineral deposits where geologic data show that significant measured or indicated resources are present. As shown on the diagram of the California Mineral Land Classification System, MRZ-2 is divided on the basis of both degree of knowledge and economic factors. Areas classified MRZ-2a contain discovered mineral deposits that are either measured or indicated reserves as determined by such evidence as drilling records, sample analysis, surface exposure, and mine information. Land included in the MRZ-2a category is of prime importance because it contains known economic mineral deposits. A typical MRZ-2a area would include an operating mine, or an area where extensive sampling indicates the presence of a significant mineral deposit.

C. *MRZ-2b*—Areas underlain by mineral deposits where geologic information indicates that significant inferred resources are present. Areas classified MRZ-2b contain discovered deposits that are either inferred reserves or deposits that are presently sub-economic as determined by limited sample analysis, exposure, and past mining history. Further exploration work and/or changes in technology or economics could result in upgrading areas classified MRZ-2b to MRZ-2a. A typical MRZ-2b area would include sites where there are good geologic reasons to believe that an extension of an operating mine exists or where there is an exposure of mineralization of economic importance.

D. *MRZ-3a*—Areas containing known mineral deposits that may qualify as mineral resources. Further exploration

**CALIFORNIA
MINERAL LAND CLASSIFICATION SYSTEM DIAGRAM**



work within these areas could result in the reclassification of specific localities into the MRZ-2a or MRZ-2b categories. MRZ-3a areas are considered to have a moderate potential for the discovery of economic mineral deposits. As shown on the diagram of the California Mineral Land Classification System, MRZ-3 is divided on the basis of knowledge of economic characteristics of the resources. An example of a MRZ-3a area would be where there is direct evidence of a surface exposure of a geologic unit, such as a limestone body, known to be or to contain a mineral resource elsewhere but has not been sampled or tested at the current location.

E. *MRZ-3b*—Areas containing inferred mineral deposits that may qualify as mineral resources. Land classified MRZ-3b represents areas in geologic settings which appear to be favorable environments for the occurrence of specific mineral deposits. Further exploration work could result in the reclassification of all or part of these areas into the MRZ-3a category or specific localities into the MRZ-2a or MRZ-2b categories. MRZ-3b is applied to land where geologic evidence leads to the conclusion that it is plausible that economic mineral deposits are present. An example of a MRZ-3b area would be where there is indirect evidence such as a geophysical or geochemical anomaly along a permissible structure which indicates the possible presence of a mineral deposit or that an ore-forming process was operative.

F. *MRZ-4*—Areas where geologic information does not rule out either the presence or absence of mineral resources. The distinction between the MRZ-1 and MRZ-4 categories is important for land-use considerations. It must be emphasized that MRZ-4 classification does not imply that there is little likelihood for the presence of mineral resources, but rather there is a lack of knowledge regarding mineral occurrence. Further exploration work could well result in the reclassification of land in MRZ-4 areas to MRZ-3 or MRZ-2 categories.

4. Criteria for Determination of Aggregate Resource Areas (ARAs)

ARAs are areas classified MRZ-2a or MRZ-2b for construction aggregate that have current land uses which are similar to those areas which have been mined in the past. The purpose of determining ARAs is to provide a semi-quantified estimate of construction aggregate resources which are likely to be available to satisfy society's needs during the 50-year period following the classification of an area. This estimate, when compared to DMG projected needs for the next 50 years, provides the context for communities to plan for future aggregate needs in their land-use policies. This information is distributed by the SMGB to all affected lead agencies. The establishment of ARAs in no way infringes on the authority of the local governments to make land-use decisions. The determination of ARAs is also intended for the use of the SMGB in

identifying areas which are candidates for designation under SMARA.

The specific land uses listed on the Table are considered to be generally incompatible with mining and have been excluded from ARAs. MRZs containing land uses not listed will be considered for inclusion as an ARA. The criteria are to be applied only to lands classified MRZ-2a and MRZ-2b for construction aggregate.

The estimation of future mineral resource availability in ARAs is not a precise analysis, but rather the best general estimate which can be made with the data available. Once ARAs have been identified, they are divided into one of three relative categories of significance as follows—Immediately Significant, Highly Significant, and Significant. The criteria for the rating are:

A. *Immediately Significant*—All permitted lands within ARAs.

B. *Highly Significant*—ARAs that contain 10 or more times the threshold value of material, or that are adjacent to property currently permitted for mining.

C. *Significant*—All remaining ARAs.

If conditions warrant, an ARA may be changed from Highly Significant to Significant or from Significant to Highly Significant. These conditions include but are not limited to, rarity of the commodity, proximity to an operating aggregate plan, and distance from market areas.

5. Mineral Land Classification Reports

A. *Report Contents*—Areas assigned by the State Geologist to mineral resource zones are delineated on suitable maps at scales adequate for use on lead agency general plan maps. A summary report showing the mineral land classification mapped according to jurisdictional boundaries (i.e., counties, groups of counties, or major portions of counties) is prepared after classification is complete. Maps also show the boundaries of each permitting authority in the report area.

B. *Public Workshop*—Before a report is finalized, a public workshop is conducted in the principal jurisdiction covered by the report. The workshop is an opportunity for interested parties and individuals (lead agency planners, mine operators, public interest groups, members of SMGB, and others) to comment on the findings of the report, and for preparers of the report to incorporate relevant comments into the final report and maps. Subsequent to the workshop, the report and maps are finalized and submitted to the SMGB. The maps and report are then formally transmitted by the SMGB to those lead agencies which have areas classified as MRZ-2a,

TABLE

Criteria for determining which MRZ-2a and MRZ-2b areas or parts of MRZ-2a and MRZ-2b areas are suitable as Aggregate Resource Areas.

There are two general categories of exclusion: I. Economic Exclusion, and II. Social Exclusion.

I. Economic Exclusion

- A. Residential areas, and areas committed to residential development, such as approved tracts
- B. Commercial areas with land improvements (buildings)
- C. Industrial areas (buildings and adjacent needed storage and parking facilities)
- D. Major public or private engineering projects
 - 1. Canals
 - 2. Freeways
 - 3. Bridges
 - 4. Airports and associated developments such as parking lots
 - 5. Dams
 - 6. Railroads
 - 7. Major pipelines
 - 8. Major power transmission lines
- E. Small areas isolated by urbanization (generally less than 40 acres)

II. Social Exclusion

- A. Cemeteries
- B. Public parks, developed historical sites and structures, and public recreation areas of all types
- C. Public or private schools, institutions, hospitals, and prisons, including adjacent developments such as parking lots
- D. Military bases and reservations

MRZ-2b, or MRZ-3a or MRZ-3b within their jurisdiction. The report and maps are also made available to other interested parties.

C. Lead Agency Responsibilities—Within 12 months of receiving a mineral lands classification report, the lead agency shall develop and adopt mineral resource management policies in accordance with Article 4, Section 2762(a) of SMARA.

D. Reports on Construction Materials—Mineral land classification reports of regions containing deposits of construction aggregate classified MRZ-2a or MRZ-2b include the following additional information:

(1) The identification of ARAs and their ranking by the categories *Immediately Significant*, *Highly Significant*, and *Significant* as explained in Section I. 4.

(2) An estimate of the total quantity of construction aggregate that will be needed to supply the requirements of

the county or marketing region in which it occurs for the next 50 years. The marketing region is defined as the area within which such material is usually mined and marketed. The amount of construction aggregate needed for the next 50 years is projected using past consumption rates adjusted for anticipated changes in population. These estimates are periodically reviewed as provided in Section 1. 6.

6. Periodic Review of Classified Lands

A. The State Geologist may periodically review the mineral land classification information in defined study regions to determine whether:

- (1) A reclassification of the area is necessary.
- (2) The projected requirements for construction materials for the next 50 years should be revised.

B. The State Geologist will report the results of such reviews to the SMGB together with recommendations. The

SMGB may direct the State Geologist to reexamine mineral lands already classified on the basis of his recommendation, or for other reasons. Any resulting reclassification will be treated in the same manner as the original classification, and employ the same marketability and threshold criteria. The 50-year period for purposes of estimating marketability will begin anew at the time of reclassification.

SECTION II. PROCEDURES FOR DESIGNATION OF LANDS CONTAINING SIGNIFICANT MINERAL DEPOSITS

1. Designation Criteria

Areas to be considered for designation by the SMGB will contain one or more mineral deposits believed to be of statewide or regional significance. Ordinarily, classification of a mineral deposit as MRZ-2a or MRZ-2b by the State Geologist will constitute adequate evidence that an area contains significant mineral deposits, but other data shall be considered by the SMGB in determining the significance of specific mineral deposits and the desirability of designation.

2. Designation Procedures

A. Upon receipt from the State Geologist of a mineral land classification map and report one or more areas delineating areas classified as MRZ-2a or MRZ-2b and a recommendation by the State Geologist that all or parts of the MRZ-2a or MRZ-2b areas to be designated, the SMGB may:

(1) Review the map and report to determine the sufficiency of the submitted data as a basis for designation, and request such additional information as may be required from the State Geologist or other sources.

(2) Determine the need for, and the priority of, designation, taking into consideration the importance of the mineral deposits to the State or region thereof and the imminence of any threatened land-use changes that would be incompatible with mineral extraction.

(3) Notify the appropriate lead agencies of the decision to consider designation of mineral resource areas within their jurisdiction.

(4) Set a date and place for a public hearing to consider the areas which the SMGB proposes to designate as containing mineral deposits of statewide or regional significance. If feasible, the public hearing shall be held in or near the county in which the area proposed for designation occurs.

(5) Notify all known affected agencies and parties having an interest in the lands considered for designation.

B. At the public hearing to consider proposed designations, the SMGB shall seek the recommendations of concerned federal, state, and local agencies, educational institutions, civic and public interest organizations, and private organizations and individuals in the identification of mineral deposits of statewide or regional significance. Such review and comment should address:

(1) The adequacy of the mineral lands classification data transmitted by the State Geologist and of any additional data transmitted to the SMGB, which together will constitute the principal basis for designation.

(2) Additional data bearing on the presence and marketability of mineral deposits proposed to be of statewide or regional significance in the area under consideration.

(3) The need, amount, and location of mineral deposits of regional significance that should be designated, and, in the case of construction materials, the needs of the region for 50 years.

(4) The existing uses of the areas proposed for designation and the future uses of these areas adopted by local agencies.

(5) Values relating to recreation, watershed, wildlife range and forage, and aesthetic enjoyment.

C. Following the public hearing, the SMGB may designate to be of statewide or regional significance, and include in state policy, all or part of the proposed areas classified as MRZ-2a or MRZ-2b. The designation report will specify the following:

(1) The boundaries of the designated areas.

(2) The mineral deposits of statewide or regional significance contained in each designated area.

(3) An estimate of the amount of each mineral commodity that is available for mining under present (or foreseeable) technological, economic, and land-use conditions, for designated MRZ-2a or MRZ-2b areas, unless to do so would reveal proprietary data.

(4) The reason that each designated area is of significance to the State or region, the advantages to the State or region that might be achieved from the extraction of the minerals of the area, and the adverse effects that might result from premature development and/or land uses that would preclude mining.

(5) The specific goals and policies to protect the areas containing mineral deposits designated to be of statewide or regional significance from premature development to uses that

would preclude mining, or to uses with which mining would be incompatible.

(6) Lead agencies having jurisdiction over the area.

D. Upon designation of an area or areas containing significant mineral deposits, the SMGB will transmit a report of its action to the affected lead agencies. The report will include a map of the designated areas in a format suitable for general plan purposes.

E. The SMGB shall monitor local government implementation of its mineral resource management policies for designated areas as described in Section 3676 of Article 6 of the Public Resources Code.

3. Termination of Designation Status

A. The status of mineral lands previously designated to be of statewide or regional significance may be terminated, either partially or wholly, by the SMGB on a finding that the designation status is no longer necessary or appropriate. Such an action is a rulemaking procedure that must be accomplished in compliance with the provisions of the Administrative Procedures Act (California Government Code, Section 11340-et seq.).

B. Prior to making such a finding, the SMGB shall hold a public hearing. If feasible, it shall be held in or near the county in which the designated area occurs. Such a finding may result from, but not be limited to, the depletion of the mineral deposit or deposits within the designated area.

C. Petitions may also be brought before the SMGB to terminate the designated status of mineral lands pursuant to the above referenced provisions of the Administrative Procedures Act. Petitions submitted to the SMGB shall include the following information:

(1) The petitioner's name, mailing address, and interest (owner, lessee, agent, or other) in the petitioned area.

(2) A map (USGS 7½' quadrangle or other appropriate map) showing the boundaries of the petitioned area.

(3) Reference to the specific SMGB action that designated the area.

(4) The reasons and supporting data as to why direct SMGB involvement is no longer necessary.

D. The SMGB shall then evaluate the data submitted in the petition as to its accuracy and sufficiency. If the SMGB finds that the petition contains sufficient information and arguments to require a public hearing on termination, then the

SMGB shall schedule such a hearing and proceed as outlined in this section.

4. Designation Appeals

The procedures for appealing the approval or denial, by a lead agency, of a permit to conduct surface mining in an area designated by the SMGB are given in the Public Resources Code, Section 2775 and in the California Code of Regulations, Title 14., Division 2., Chapter 8., Subchapter 1., Article 4.

SECTION III. GUIDELINES FOR CLASSIFICATION AND DESIGNATION PETITIONS

1. Classification Petitions

Petitions may be brought before the SMGB by any individual or organization to classify mineral lands that are claimed to contain significant mineral deposits. A petition form is provided in Appendix A.

It should be recognized that petitioning does not create an instantaneous action, but rather starts in motion the classification process which requires actions by the State Geologist, the SMGB, and lead agencies prior to a final land-use decision.

A. *Criteria for Consideration of Classification Petitions—*

(1) Petitions will be preliminarily reviewed by the State Geologist to determine if the deposit meets the threshold value and other criteria required to qualify as MRZ-2a or MRZ-2b as in Section I.2. If these criteria are met, the State Geologist will recommend acceptance of the petition by the SMGB. Upon acceptance of the petition by the SMGB, the State Geologist will conduct a study sufficient in scope to classify mineral deposit areas that are the subject of the petition.

(2) The petitioner must supply sufficient geologic and economic data to enable the State Geologist to classify the mineral deposit areas that are the subject of the petition. The State Geologist may rely on proprietary data supplied by the petitioner. Such data, as requested of the petitioner and clearly marked, shall remain proprietary.

B. *Priority Considerations for Classification Petitions—* Prior to submitting a petition application, the petitioner should contact the SMGB or the State Geologist to find out about any current or pending classification studies by the State Geologist in the area of the petition deposit and the scheduled completion dates.

After acceptance of a petition by the SMGB, it will be ranked according to priority for classification based on the chronological order of acceptance unless otherwise specified by

the SMGB. The petitioned classification report will be completed as determined by its priority ranking after receipt of all of the petition fees.

The SMGB will notify affected lead agencies after formal acceptance of a petition for classification and each petition's assigned priority for classification. The SMGB will also provide them with a copy of the accepted petition.

C. Classification Petition Fees—There are two fees to be paid by the petitioner:

(1) A fee of \$5,000 for conducting the preliminary review of the petition application.

(2) A processing fee for conducting the classification study. Prepayment of the processing fee to cover the costs of conducting the classification study will be required if the petition is accepted. The petitioner will be provided with an estimate of the cost of conducting the classification study. Any funds in excess of the amount actually needed for conducting the study will be refunded to the petitioner. Any undercollected funds must be submitted prior to the official release of the report.

2. Designation Petitions

A. Prior to permitting a use that would threaten the potential to extract minerals classified by the State Geologist as MRZ-2a or MRZ-2b but not yet designated, the lead agency may petition the SMGB for a designation hearing.

B. Petitions for a designation hearing may also be brought before the SMGB by any other party provided that the SMGB has received and approved land classification information that indicated that the area in question is classified MRZ-2a or MRZ-2b and that the SMGB has not yet considered designation. A petition form is provided in Appendix A.

C. SMGB shall then forward the data to the State Geologist who will evaluate it as to its accuracy and sufficiency and make a recommendation to the SMGB for or against designation of all or part of the area petitioned for designation.

D. If the SMGB finds that the petition contains sufficient information and arguments to require a public hearing, then the SMGB shall schedule such a hearing and proceed as outlined in Section II. 1. and 2.

Appendix A

**Petition for
Classification-Designation
of Mineral Lands**

**Part I
Mineral Information**

1. The petitioner’s name, mailing address and interest (owner, lessee, agent, or other) in the area to be considered for classification.

2. Name and legal description of petitioned deposit. Attach map (USGS 7 1/2 minute quadrangle or other appropriate map) showing the boundaries of the area the petitioner wishes to have classified.

3. A description of the significant mineral deposits claimed to occur within the area described, including sufficient geologic and economic data to support the claim that the mineral deposits are significant as defined in the “Guidelines for Classification and Designation of Mineral Lands.”

- a. Geologic setting (Attach map)

b. Mineral commodities

c. Value of deposit ^{-1,-2}

Tonnage ⁻²

 Grade ⁻²

- ⁻¹ Gross selling price of first marketable product
⁻² Estimated values

The mineral information (Part I) of this petition and its supporting documentation are accurate and supportable by the supplied information and the deposit is as stated.

Signature of Petitioner

Date

Part II
Land-Use Information

4. The name and mailing address of each recorded land owner and each recorded lessee in and adjoining the area described. (Attach separate sheet)
5. Action requested. If designation is requested in addition to classification, then the reasons for requesting designation should also be stated.

The land-use information (Part II) of this petition and its supporting documentation are accurate and supportable by the supplied information.

Signature of Petitioner

Date

This form is to be used as a guide for content and format. Additional information sheets may be attached as necessary.